

By: Sluman

S.J.R. No. 49

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment to increase to \$800 million
2 the amount of Texas Water Development Bonds that may be issued
3 and outstanding by the Texas Water Development Board on approval
4 of a two-thirds vote of each House of the Legislature,
5 consolidating the provisions of Article III, Sections 49-c and
6 49-d of the Texas Constitution, and repealing Article III, Section
7 49-d of the Texas Constitution.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 Section 1. That Article III, Section 49-c of the Texas
10 Constitution, be amended to read as follows:

11 Section 49-c. (a) There is hereby created as an agency
12 of the State of Texas the Texas Water Development Board to exercise
13 such powers as necessary under this provision together with such
14 other duties and restrictions as may be prescribed by law. The
15 qualifications, compensation, terms of office, and number of
16 members of said Board shall be determined by law. They shall be
17 appointed by the Governor with the advice and consent of the
18 Senate [~~in the manner and for such terms as may be prescribed by~~
19 ~~law~~].

20 (b) The Texas Water Development Board shall have the
21 authority to provide for, issue and sell general obligation bonds
22 of the State of Texas, to be called Texas Water Development Bonds,
23 in an amount not to exceed Four Hundred Million Dollars
24 (\$400,000,000) [~~One Hundred Million Dollars (\$100,000,000)~~]. The

1 Legislature [~~of Texas~~], upon two-thirds [~~(2/3)~~] vote of the
2 [~~elect~~ed] Members of each House, may authorize the Board to issue
3 and have outstanding additional bonds the aggregate amount of
4 which when added to the total of bonds previously issued and
5 outstanding does not exceed a total of Eight Hundred Million
6 Dollars (\$800,000,000).

7 ~~^(c) Texas Water Development Bonds (in an amount not~~
8 ~~exceeding One Hundred Million Dollars (\$100,000,000). The bonds~~
9 ~~authorized herein or permitted to be authorized by the Legislature~~
10 ~~shall be called "Texas Water Development Bonds,"~~ shall be executed
11 in such form, denominations and upon such terms and in such
12 installments as [~~may be~~] prescribed by law [~~provided, however,~~
13 ~~that the bonds shall not bear more than four per cent (4%) interest~~
14 ~~per annum; they may be issued in such installments as the Board~~
15 ~~finds feasible and practical in accomplishing the purpose set~~
16 ~~forth herein).~~

17 ~~^(d)~~ All moneys received from the sale of State bonds shall
18 be deposited in a fund [~~hereby created~~] in the State Treasury to
19 be known as the Texas Water Development Fund to be administered
20 (without further appropriation) by the Texas Water Development
21 Board in such manner as prescribed by law. The Legislature may
22 provide for the investment of moneys available in the Texas Water
23 Development Fund, and the interest and sinking funds established
24 for the payment of bonds.

25 ~~^(e)~~ Under conditions prescribed by law, the Texas Water
26 Development Fund may be used to aid or make funds available to
27 the various political subdivisions or bodies politic and corporate

1 of the State of Texas, including special districts and authorities
2 and interstate compact commissions to which the State of Texas
3 is a party, in the conservation, development, and transmission
4 of water resources for all useful and lawful purposes.

5 (f) It is the policy of the State of Texas to encourage
6 the optimum development of the limited number of feasible sites
7 available for the construction or enlargement of dams and
8 reservoirs for conservation of the public waters of the State,
9 which waters are held in trust for the use and benefit of the
10 public. As prescribed by law, including the requirement of a
11 permit for storage or beneficial use, the Texas Water Development
12 Fund may be used by the Texas Water Development Board for the
13 purposes of acquiring and developing storage facilities, and any
14 system or works necessary for the filtration, treatment, and
15 transportation of water from storage to wholesale purchasers, or
16 for any one or more of such purposes or methods; provided, however,
17 the Texas Water Development Fund or any other State fund provided
18 for water development, transmission, transfer, or filtration shall
19 not be used to finance any project which contemplates or results
20 in the removal from the basin of origin of any surface water
21 necessary to supply the reasonably foreseeable future water
22 requirements for the next ensuing fifty-year period within the
23 river basin of origin, except on a temporary, interim basis.

24 (g) As prescribed by law, the Texas Water Development
25 Fund may be used for the conservation and development of water
26 for ²useful purposes including construction or reconstruction or
27 enlargement of reservoirs, dams, or conveyance facilities

1 constructed or to be constructed or enlarged together with any
2 system or works necessary for the filtration, treatment, and/or
3 transportation of water, by any one or more of the following
4 governmental agencies: by the United States of America or any
5 agency, department, or instrumentality thereof: by the State of
6 Texas or any agency, department, or instrumentality thereof: by
7 political subdivisions or bodies politic and corporate of the
8 State: by interstate compact commissions to which the State of
9 Texas is a party: and by municipal corporations.

10 ✓(b) For consideration prescribed by law, the Texas Water
11 Development Board may sell, transfer, or lease, in whole or in
12 part, any acquired storage facilities, any waters of the State
13 that might be stored in such facilities, or the right to use such
14 storage facilities, together with any associated system or works
15 necessary for the filtration, treatment, or transportation of
16 water at a price not less than the direct cost of the Board in
17 acquiring same. As a prerequisite to the purchase of such storage
18 or water, the applicant therefor shall have secured a valid permit
19 from the Texas Water Rights Commission or its successor authorizing
20 the acquisition of such storage facilities or the water impounded
21 therein.

22 ✓(1) As prescribed by law, the Texas Water Development
23 Board may execute long-term contracts with the United States or
24 any of its agencies for the acquisition and development of water
25 storage/and/or transmission facilities constructed or to be
26 constructed by the Federal government. Such contracts when
27 executed shall constitute general obligations of the State of

1 Texas in the same manner and with the same effect as State bonds
2 issued under this Section.

3 ~~[Such fund shall be used only for the purpose of aiding or~~
4 ~~making funds available upon such terms and conditions as the~~
5 ~~legislature may prescribe, to the various political subdivisions~~
6 ~~or bodies politic and corporate of the State of Texas including~~
7 ~~river authorities, conservation and reclamation districts and~~
8 ~~districts created or organized or authorized to be created or~~
9 ~~organized under Article XVI, Section 59 or Article III, Section~~
10 ~~52, of this Constitution, interstate compact commissions to which~~
11 ~~the State of Texas is a party and municipal corporations, in the~~
12 ~~conservation and development of the water resources of this State,~~
13 ~~including the control, storing and preservation of its storm and~~
14 ~~flood waters and the waters of its rivers and streams, for all~~
15 ~~useful and lawful purposes by the acquisition, improvement,~~
16 ~~extension or construction of dams, reservoirs and other water~~
17 ~~storage projects, including any system necessary for the~~
18 ~~transportation of water from storage to points of treatment and/or~~
19 ~~distribution, including facilities for transporting water therefrom~~
20 ~~to wholesale purchasers, or for any one or more of such purposes~~
21 ~~or methods.]~~

22 “(l) Any or all financial assistance as provided herein
23 shall be repaid with interest upon such terms, conditions, and
24 manner of repayment as now or hereafter prescribed [as may be
25 provided] by law.

26 “(k) While any of the Texas Water Development Bonds [bonds
27 authorized by this provision or while any of the bonds that may

1 ~~be authorized by the legislature under this provision]~~ or any
2 interest on ~~[any of]~~ such bonds or payments of principal and
3 interest under contracts executed pursuant to Subsection (1), is
4 outstanding and unpaid, there is ^{hereby} appropriated out of the first
5 moneys coming into the Treasury in each fiscal year, not otherwise
6 appropriated by this Constitution, an amount which is sufficient
7 to pay the principal and interest on such bonds and contracts
8 that mature or become due during such fiscal year, less the amount
9 in the sinking fund at the close of the prior fiscal year.

10 ~~[The legislature may provide for the investment of moneys~~
11 ~~available in the Texas Water Development Fund, and the interest~~
12 ~~and sinking funds established for the payment of bonds issued by~~
13 ~~the Texas Water Development Board. Income from such investment~~
14 ~~shall be used for the purposes prescribed by the legislature.~~
15 ~~The legislature may also make appropriations from the General~~
16 ~~Revenue Fund for paying administrative expenses of the Board.]~~

17 ✓(1) From the money [moneys] received by the Texas Water
18 Development Board as repayment of principal for financial
19 assistance or as interest thereon, or from any money received
20 upon sale, transfer, or lease of storage facilities or associated
21 system of works, there shall be deposited in the interest and [✓]
22 sinking fund for the bonds authorized by this Section sufficient
23 moneys to pay the interest and principal to become due during the
24 ensuing year and sufficient to establish and maintain a reserve
25 in said fund equal to the average annual principal and interest
26 requirements on all outstanding bonds issued and contractual
27 obligations incurred under this Section. Any money [if any year

1 ~~prior to December 31, 1982 moneys are~~ received in excess of such
2 ~~[the foregoing] requirements [then such excess]~~ shall be deposited
3 *General Revenue Fund of the State Treasury for use as prescribed by law.*
4 to the ~~Texas Water Development Fund~~, and may be used for
5 administrative expenses of the Board and for the same purposes
6 and upon the same terms and conditions prescribed for the proceeds
7 derived from the sale of such ~~[state] bonds~~. ~~No grant of~~
8 ~~financial assistance shall be made under the provisions of this~~
9 ~~Section after December 31, 1982, and all moneys thereafter received~~
10 ~~as repayment of principal for financial assistance or as interest~~
11 ~~thereon shall be deposited in the interest and sinking fund for~~
12 ~~the State bonds, except that such amount as may be required to~~
13 ~~meet the administrative expenses of the Board may be annually set~~
14 ~~aside, and provided, that after all State bonds have been fully~~
15 ~~paid with interest, or after there are on deposit in the interest~~
16 ~~and sinking fund sufficient moneys to pay all future maturities~~
17 ~~of principal and interest, additional moneys so received shall~~
18 ~~be deposited to the General Revenue Fund.]~~

18 *(m)* Texas Water Development Bonds are secured by the
19 general credit of the State and [all bonds issued hereunder] shall
20 after approval by the Attorney General, registration by the
21 Comptroller of Public Accounts of the State of Texas, and delivery
22 to the purchasers, be incontestable and shall constitute general
23 obligations of the State of Texas under the Constitution of Texas.

24 *(n)* Should the Legislature enact ~~[enabling]~~ laws in
25 anticipation of the passage [adoption] of this amendment, those
26 *[such Acts shall not be]* laws are not void by reason of their anticipatory nature. *[Character]*

27 Sec. 2. That Article III, Section 49-d~~y~~ of the Texas

1 Constitution, be repealed.

2 Sec. 3. The foregoing constitutional amendment shall be
3 submitted to a vote of the qualified electors of this state at
4 the general election to be held in November, 1976, at which
5 election the ballots shall be printed to provide for voting for
6 or against the proposition: "The constitutional amendment to
7 increase to \$800 million the amount of Texas Water Development
8 Bonds which may be issued and outstanding by the Texas Water
9 Development Board on approval of a two-thirds vote of each house
10 of the legislature, consolidating the provisions of Article III,
11 Sections 49-c and 49-d_o of the Texas Constitution, and repealing
12 Article III, Section 49-d, of the Texas Constitution."

COMMITTEE/FLOOR REPORT FORM

Austin, Texas

April 7

, 1975

Honorable William P. Hobby
President of the Senate

Sir:

We, your Committee on Texas Constitution to which was referred
~~SIR~~ B. No. 49 have had the same under consideration, and I am instructed to report it back to the Senate
with the recommendation that it do pass and be printed.

Giblin

Chairman

IF THIS FORM IS TO BE USED AS A FLOOR REPORT, IT IS NECESSARY FOR A MAJORITY OF THE COMMITTEE MEMBERS TO SIGN IT. Paper clip the original and one copy of this form to the original bill and retain one copy for your file.

BILL ANALYSIS

Background Information:

Article III, Section 49 of the constitution prohibits debt created by or on behalf of the state. Bonds that obligate the general credit of the state are "debt" within Section 49 and may not be issued unless authorized by the constitution. Through a series of amendments, over \$1.2 billion in state debt has been authorized for specific purposes (e.g. veterans' land program [Art. III, Sec. 49-b]; water development and water quality [Art. III, Sec. 49-c, 49-d, 49-d-1]; park development [Art. III, Sec. 49-e]; student loans [Art. III, Sec. 50b, 50b-1]).

Like the other sections authorizing state debt for specific purposes, Section 49-c and companion Sections 49-d and 49-d-1 are exceptions to the general prohibition against state debt which permit the state to make loans to local governments for water resource "conservation and development" purpose.

Section 49-c established the Texas Water Development Board to administer the loans, created the Texas Water Development Fund, authorized the sale of up to \$200 million in general obligation bonds to finance projects, and specified the purposes for which the fund could be used.

Restrictive interpretation of the purpose of the fund and increased financial need resulted in Sections 49-d (added in 1962 and amended in 1966) and 49-d-1 (added in 1971). Both sections amend Section 49-c to expand the authorized uses of the fund, raise the bond ceiling and interest rate limitations, and eliminate the 1982 loan assistance termination date.

Section 49-d grants the Water Development Board explicit power to meet anticipated water storage needs by authorizing use of the fund "for the additional purposes of acquiring and developing storage facilities" and specifying the means by which water storage needs may be met. The 1966 amendment added the authorization to develop water filtration and treatment systems, increased the bonds ceiling from \$200 million to \$400 million (issuance of the additional bonds requires two-thirds approval of the legislature), and added a 50-year limit on state financing of transbasin water transportation projects.

Section 49-d-1 authorized the issuance of an additional \$100 million in bonds for "water quality enhancement purposes". The section also raised the permissible interest rate on water development bonds from 4 percent to 6 percent, eliminated the 1982 assistance termination date prescribed by 49-c.

The "state debt" provision in the proposed constitution revision (Article VIII, Section 8 of the Committee Substitute of SJR 49 and SJR 11 as passed by the Senate) would permit a state debt to be authorized by law if approved by two-thirds of the membership of both houses and by the voters. If SJR 49 were submitted to the voters with the proposed revision of Article VIII and both were approved, a transition provision in the revised article could convert SJR 49 to statute as anticipatory legislation under Article VIII, Section 8. If the voters failed to approve revised Article VIII but approved SJR 49, SJR 49 would become effective as an amendment to the present constitution.

What the Resolution Proposes to Do:

Increase to \$800 million the amount of water development bonds that may be issued.

Section-by-Section Analysis:

Section 1. Amends Article III, Section 49-c to:

(a) establish the Texas Water Development Board as the administrative body (no change);

(b) authorize the board to issue and sell general obligation bonds up to \$400 million (change from present \$200 million ceiling authorized by 49-d) and

permit the Legislature, by two-thirds vote of both houses, to authorize the board to issue and have outstanding an additional \$400 million in bonds up to a total aggregate amount of \$800 million (change from present aggregate limit of \$400 million established by 49-d);

(c) provide that Texas Water Development Bonds be executed as prescribed by law;

[Deleted parts of Subsection C are not effective - i.e., have been amended by Sections 49-d and 49-d-1. Section 49-d sets the amount ceiling at \$200 million and Section 49-d-1 sets the interest limit at six percent]

(d) establish the Texas Water Development Fund in the State Treasury;

require all proceeds from the sale of the bonds to be deposited in the fund;

provide that the fund be administered by the Water Development Board; and

authorize the Legislature to provide for investing the fund and for related sinking funds and interest rates;

(e) authorize the fund to be used, as prescribed by law, to and or make funds available to political subdivisions for the conservation, development, and transmission of water resources (replaces paragraph four of Section 49-c as amended by 49-d, no substantive change);

(f) establish state policy concerning water development and elaborate the purposes for which bonds may be used (incorporates present language from paragraph one of Section 49-d, no substantive change, 50-year limit on state financing of transbasin water development projects is retained);

(g) authorize the fund to be used by governmental agencies for certain water conservation and development purposes (incorporates present language from paragraph two of Section 49-d, no substantive change);

(h) authorize the sell, transfer, or lease of acquired facilities or waters at a price at least equal to the direct cost of the board's acquiring the related facilities (incorporates present language from paragraph four of Section 49-d, no substantive change);

(i) authorize the board to execute long-term contracts, as prescribed by law, with the federal government for the acquisition

and development of water storage or transmission facilities (incorporates present language from paragraph three of Section 49-d, no substantive change);

[Deletes paragraph four of Section 49-c which is replaced by proposed Subsection (e)]

(j) require financial assistance to be repaid with interest as prescribed by law (retains paragraph five of Section 49-c, no substantive change);

(k) appropriate sufficient money each fiscal year, less the amount of money available in the interest and sinking fund, to pay the principal and interest on outstanding bonds that mature within the year (retains paragraph six of Section 49-c, no substantive change);

[Deletes paragraph seven which is replaced by proposed Subsection (d)]

(l) require the board to deposit from repayments and proceeds sufficient money to pay interest and principal to become due within the next year and to establish and maintain a reserve fund (retains all but last sentence of paragraph eight, no substantive change);

[Deleted 1982 assistance termination date was eliminated by Section 49-d-1 (added in 1971)]

(m) provide that bonds (after being appropriately approved, registered, and delivered) be incontestable and constitute general obligations on the state (retains paragraph eleven, no substantive change); and

(n) provide that the Legislature may enact anticipatory laws (no substantive change).

Section 2. Repeals Article III, Section 49-d.

Section 3. Provide that the constitutional amendment be submitted to the qualified voters on Tuesday, November 2, 1976.

Summary of Committee Action:

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 7, 1975

Honorable A. M. Aikin, Jr., Chairman
Committee on the Texas Constitution
Senate Chamber
Austin, Texas

In Re: Senate Joint Resolution No. 49
By: Sherman

Sir:


In response to your request and pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Senate Joint Resolution No. 49 (proposing a constitutional amendment to increase to \$800 million the amount of Texas Water Development Bonds that may be issued and outstanding) to be as follows:


1. The Resolution would set at \$800 million the maximum amount of Texas Water Development Bonds that may be issued and outstanding by the Texas Water Development Board on approval of a two-thirds vote of each House of the Legislature. Under the present provisions of the Texas Constitution, the maximum amount is set at \$400,000,000; debt obligations totaling \$207,754,000 have been incurred against this authorization, of which \$137,980,000 remain outstanding.
2. When Water Development Bonds are sold, debt service constitutes an obligation of the State to be paid from General Revenue. In the case of water facilities owned by the State, the requirement for General Revenue funds will continue until either the facilities or the water is sold, at which time the State will recover its investment including interest. At some future time, as water facilities are sold, the fund will become self-liquidating.
3. Loans for water development purposes are made to local political subdivisions at rates designed to repay the State for the costs of the loan. The repayment schedules from the local political subdivisions do not meet precisely, in each fiscal year, the State's debt service requirements. The General Revenue Fund makes up the difference between the debt service owed by the State and the repayments from local political subdivisions. The history of payments from the General Fund and a projection for the next five years are as follows:

DEMAND ON THE GENERAL REVENUE FUND FOR PAYMENT OF DEBT SERVICE ON TEXAS WATER DEVELOPMENT BONDS

Actual				Projected	
Fiscal Year	General Fund Cost	Fiscal Year	General Fund Cost	Fiscal Year	General Fund Cost
1967	\$ 669,501	1972	\$3,684,019	1976	\$4,900,000
1968	1,309,704	1973	5,053,909	1977	5,250,000
1969	2,242,312	1974	6,742,005	1978	6,840,000
1970	1,812,758	1975	2,885,402	1979	6,350,000
1971	2,028,753			1980	6,350,000

4. If Senate Joint Resolution No. 49 should be adopted, it is anticipated that additional debt service payments from the General Revenue Fund will not be required within the time span included in the above projection.
5. The cost of placing Senate Joint Resolution No. 49 on the ballot is estimated at \$9,000 in fiscal 1977.


Thomas M. Keel
Director


Introduced by Adams

Senate Floor Amendment
to S. J. R. 49

AMENDMENT #1

Amend S. J. R. 49, Section 1, Section 49-C, subsection (1), by

deleting the second sentence of said subsection (1) and inserting

in lieu thereof the following: ^[If any year prior to December 31, 1982] Any money ^{money are} received in excess of

^[the foregoing] such requirements ^[then add excess] shall be deposited to the General Revenue

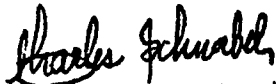
Fund of the State Treasury for use as prescribed by law.

~~#~~ [Texas thru bonds]

Read
from
original

ADOPTED

APR 17 1975


Secretary of the Senate

Amend the caption to conform to the
body of the bill

ADOPTED

APR 17 1975

Charles Schnabel

Secretary of the Senate

April 17 1975 Engrossed
M. J. Key
Engrossing Clerk

By: Sherman

S.J.R. No. 49

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment to increase to \$800 million
2 the amount of Texas Water Development Bonds that may be issued
3 and outstanding by the Texas Water Development Board on approval
4 of a two-thirds vote of each House of the Legislature,
5 consolidating the provisions of Article III, Sections 49-c and
6 49-d of the Texas Constitution, and repealing Article III, Section
7 49-d of the Texas Constitution.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 Section 1. That Article III, Section 49-c of the Texas
10 Constitution, be amended to read as follows:

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12 of the State of Texas the Texas Water Development Board to exercise
13 such powers as necessary under this provision together with such
14 other duties and restrictions as may be prescribed by law. The
15 qualifications, compensation, terms of office, and number of
16 members of said Board shall be determined by law. They shall be
17 appointed by the Governor with the advice and consent of the
18 Senate [~~in the manner and for such terms as may be prescribed by~~
19 ~~law~~].

20 (b) The Texas Water Development Board shall have the
21 authority to provide for, issue and sell general obligation bonds
22 of the State of Texas, to be called Texas Water Development Bonds,
23 in an amount not to exceed Four Hundred Million Dollars
24 (\$400,000,000) [~~One Hundred Million Dollars (\$100,000,000)~~]. The

1 Legislature [~~of Texas~~], upon two-thirds [~~(2/3)~~] vote of the
2 [~~elected~~] Members of each House, may authorize the Board to issue
3 and have outstanding additional bonds the aggregate amount of
4 which when added to the total of bonds previously issued and
5 outstanding does not exceed a total of Eight Hundred Million
6 Dollars (\$800,000,000).

7 (c) Texas Water Development Bonds [~~in an amount not~~
8 ~~exceeding One Hundred Million Dollars (\$100,000,000).~~ ~~The bonds~~
9 ~~authorized herein or permitted to be authorized by the Legislature~~
10 ~~shall be called "Texas Water Development Bonds,"~~] shall be executed
11 in such form, denominations and upon such terms and in such
12 installments as [may be] prescribed by law, ~~provided, however,~~
13 ~~that the bonds shall not bear more than four per cent (4%) interest~~
14 ~~per annum; they may be issued in such installments as the Board~~
15 ~~finds feasible and practical in accomplishing the purpose set~~
16 ~~forth herein].~~

17 (d) All moneys received from the sale of State bonds shall
18 be deposited in a fund [~~hereby created~~] in the State Treasury to
19 be known as the Texas Water Development Fund to be administered
20 (without further appropriation) by the Texas Water Development
21 Board in such manner as prescribed by law. The Legislature may
22 provide for the investment of moneys available in the Texas Water
23 Development Fund, and the interest and sinking funds established
24 for the payment of bonds.

25 (e) Under conditions prescribed by law, the Texas Water
26 Development Fund may be used to aid or make funds available to

1 the various political subdivisions or bodies politic and corporate
2 of the State of Texas, including special districts and authorities
3 and interstate compact commissions to which the State of Texas
4 is a party, in the conservation, development, and transmission
5 of water resources for all useful and lawful purposes.

6 (f) It is the policy of the State of Texas to encourage
7 the optimum development of the limited number of feasible sites
8 available for the construction or enlargement of dams and
9 reservoirs for conservation of the public waters of the State,
10 which waters are held in trust for the use and benefit of the
11 public. As prescribed by law, including the requirement of a
12 permit for storage or beneficial use, the Texas Water Development
13 Fund may be used by the Texas Water Development Board for the
14 purposes of acquiring and developing storage facilities, and any
15 system or works necessary for the filtration, treatment, and
16 transportation of water from storage to wholesale purchasers, or
17 for any one or more of such purposes or methods; provided, however,
18 the Texas Water Development Fund or any other State fund provided
19 for water development, transmission, transfer, or filtration shall
20 not be used to finance any project which contemplates or results
21 in the removal from the basin of origin of any surface water
22 necessary to supply the reasonably foreseeable future water
23 requirements for the next ensuing fifty-year period within the
24 river basin of origin, except on a temporary, interim basis.

25 (g) As prescribed by law, the Texas Water Development Fund
26 may be used for the conservation and development of water for

1 useful purposes including construction or reconstruction or
2 enlargement of reservoirs, dams, or conveyance facilities
3 constructed or to be constructed or enlarged together with any
4 system or works necessary for the filtration, treatment, and/or
5 transportation of water, by any one or more of the following
6 governmental agencies: by the United States of America or any
7 agency, department, or instrumentality thereof; by the State of
8 Texas or any agency, department, or instrumentality thereof; by
9 political subdivisions or bodies politic and corporate of the
10 State; by interstate compact commissions to which the State of
11 Texas is a party; and by municipal corporations.

12 (h) For consideration prescribed by law, the Texas Water
13 Development Board may sell, transfer, or lease, in whole or in
14 part, any acquired storage facilities, any waters of the State
15 that might be stored in such facilities, or the right to use such
16 storage facilities, together with any associated system or works
17 necessary for the filtration, treatment, or transportation of
18 water at a price not less than the direct cost of the Board in
19 acquiring same. As a prerequisite to the purchase of such storage
20 or water, the applicant therefor shall have secured a valid permit
21 from the Texas Water Rights Commission or its successor authorizing
22 the acquisition of such storage facilities or the water impounded
23 therein.

24 (i) As prescribed by law, the Texas Water Development Board
25 may execute long-term contracts with the United States or any of
26 its agencies for the acquisition and development of water storage

1 and/or transmission facilities constructed or to be constructed
2 by the Federal government. Such contracts when executed shall
3 constitute general obligations of the State of Texas in the same
4 manner and with the same effect as State bonds issued under this
5 Section.

6 ~~[Such fund shall be used only for the purpose of aiding or~~
7 ~~making funds available upon such terms and conditions as the~~
8 ~~Legislature may prescribe, to the various political subdivisions~~
9 ~~or bodies politic and corporate of the State of Texas including~~
10 ~~river authorities, conservation and reclamation districts and~~
11 ~~districts created or organized or authorized to be created or~~
12 ~~organized under Article XVI, Section 59 or Article III, Section~~
13 ~~52, of this Constitution, interstate compact commissions to which~~
14 ~~the State of Texas is a party and municipal corporations, in the~~
15 ~~conservation and development of the water resources of this State,~~
16 ~~including the control, storing and preservation of its storm and~~
17 ~~flood waters and the waters of its rivers and streams, for all~~
18 ~~useful and lawful purposes by the acquisition, improvement,~~
19 ~~extension, or construction of dams, reservoirs and other water~~
20 ~~storage projects, including any system necessary for the~~
21 ~~transportation of water from storage to points of treatment and/or~~
22 ~~distribution, including facilities for transporting water therefrom~~
23 ~~to wholesale purchasers, or for any one or more of such purposes~~
24 ~~or methods.]~~

25 (1) Any or all financial assistance as provided herein
26 shall be repaid with interest upon such terms, conditions, and

manner of repayment as now or hereafter prescribed ~~(as may be provided)~~ by law.

(k) While any of the Texas Water Development Bonds ~~(bonds authorized by this provision or while any of the bonds that may be authorized by the Legislature under this provision)~~ or any interest on ~~(any of)~~ such bonds or payments of principal and interest under contracts executed pursuant to Subsection (i), is outstanding and unpaid, there is hereby appropriated out of the first moneys coming into the Treasury in each fiscal year, not otherwise appropriated by this Constitution, an amount which is sufficient to pay the principal and interest on such bonds and contracts that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year.

~~[The Legislature may provide for the investment of moneys available in the Texas Water Development Fund, and the interest and sinking funds established for the payment of bonds issued by the Texas Water Development Board. Income from such investment shall be used for the purposes prescribed by the Legislature. The Legislature may also make appropriations from the General Revenue Fund for paying administrative expenses of the Board.]~~

(1) From the money ~~(moneys)~~ received by the Texas Water Development Board as repayment of principal for financial assistance or as interest thereon, or from any money received upon sale, transfer, or lease of storage facilities or associated system of works, there shall be deposited in the interest and

S.J.R. No. 49

1 sinking fund for the bonds authorized by this Section sufficient
2 moneys to pay the interest and principal to become due during the
3 ensuing year and sufficient to establish and maintain a reserve
4 in said fund equal to the average annual principal and interest
5 requirements on all outstanding bonds issued and contractual
6 obligations incurred under this Section. Any money ~~[if any year~~
7 ~~prior to December 31, 1982 moneys are]~~ received in excess of such
8 ~~[the foregoing]~~ requirements ~~[then such excess]~~ shall be deposited
9 to the General Revenue Fund of the State Treasury for use as
10 prescribed by law. ~~[Texas Water Development Fund, and may be used~~
11 ~~for administrative expenses of the Board and for the same purposes~~
12 ~~and upon the same terms and conditions prescribed for the proceeds~~
13 ~~derived from the sale of such State bonds. No grant of financial~~
14 ~~assistance shall be made under the provisions of this Section~~
15 ~~after December 31, 1982, and all moneys thereafter received as~~
16 ~~repayment of principal for financial assistance or as interest~~
17 ~~thereon shall be deposited in the interest and sinking fund for~~
18 ~~the State bonds, except that such amount as may be required to~~
19 ~~meet the administrative expenses of the Board may be annually set~~
20 ~~aside, and provided, that after all State bonds have been fully~~
21 ~~paid with interest, or after there are on deposit in the interest~~
22 ~~and sinking fund sufficient moneys to pay all future maturities~~
23 ~~of principal and interest, additional moneys so received shall~~
24 ~~be deposited to the General Revenue Fund.]~~

25 (m) Texas Water Development Bonds are secured by the general
26 credit of the State and ~~[All bonds issued hereunder]~~ shall after

1 approval by the Attorney General, registration by the Comptroller
2 of Public Accounts of the State of Texas, and delivery to the
3 purchasers, be incontestable and shall constitute general
4 obligations of the State of Texas under the Constitution of Texas.

5 (n) Should the Legislature enact ~~[enabling]~~ laws in
6 anticipation of the passage ~~[adoption]~~ of this amendment, those
7 laws are not ~~[such acts shall not be]~~ void by reason of their
8 anticipatory nature.

9 Sec. 2. That Article III, Section 49-d of the Texas
10 Constitution, be repealed.

11 Sec. 3. The foregoing constitutional amendment shall be
12 submitted to a vote of the qualified electors of this state at
13 the general election to be held in November, 1976, at which
14 election the ballots shall be printed to provide for voting for
15 or against the proposition: "The constitutional amendment to
16 increase to \$800 million the amount of Texas Water Development
17 Bonds which may be issued and outstanding by the Texas Water
18 Development Board on approval of a two-thirds vote of each house
19 of the legislature, consolidating the provisions of Article III,
20 Sections 49-c and 49-d of the Texas Constitution, and repealing
21 Article III, Section 49-d of the Texas Constitution."

COMMITTEE REPORT

THE HONORABLE BILL CLAYTON
SPEAKER OF THE HOUSE OF REPRESENTATIVES

May 13, 1975
Date _____

SIR:

We, your COMMITTEE ON Constitutional Revision to whom was referred SJR 49
(measure)

have had the same under consideration and beg to report back with the recommendation that it

- () do pass, without amendment.
- () do pass, with amendment(s).
- (*) do pass and be not printed; a committee substitute is recommended in lieu of the original measure.

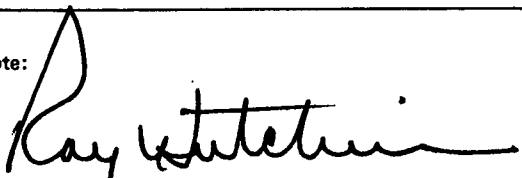
~~The Committee recommends that this measure be placed on the (Local / Consent) Calendar.~~

This measure (☒) proposes ~~to amend~~ *to amend the constitution*
~~to amend existing law.~~

House Sponsor of Senate Measure: Massey

The measure was reported from Committee by the following Record Vote:

10	
<u>4</u>	ayes
<u>0</u>	nays
<u>0</u>	present, not voting
<u>3</u>	absent


Chairman

Return with Original Measure

COMMITTEE SUBSTITUTE
BILL ANALYSISBackground Information:

Article III, Section 49 of the constitution prohibits debt created by or on behalf of the state. Bonds that obligate the general credit of the state are "debt" within Section 49 and may not be issued unless authorized by the constitution. Through a series of amendments, over \$1.2 billion in state debt has been authorized for specific purposes (e.g. veterans' land program [Art. III, sec. 49-b]; water development and water quality [Art. III, Sec. 49-c, 49-d, 49-d-1]; park development [Art. III, Sec. 49-e]; student loans [Art. III, Sec. 50b, 50b-1]).

Like the other sections authorizing state debt for specific purposes, Section 49-c and companion Sections 49-d and 49-d-1 are exceptions to the general prohibition against state debt which permit the state to make loans to local governments for water resource "conservation and development" purpose.

Section 49-c established the Texas Water Development Board to administer the loans, created the Texas Water Development Fund, authorized the sale of up to \$200 million in general obligation bonds to finance projects, and specified the purposes for which the fund could be used.

Restrictive interpretation of the purpose of the fund and increased financial need resulted in Sections 49-d (added in 1962 and amended in 1966) and 49-d-1 (added in 1971). Both sections amend Section 49-c to expand the authorized uses of the fund, raise the bond ceiling and interest rate limitations, and eliminate the 1982 loan assistance termination date.

Section 49-d grants the Water Development Board explicit power to meet anticipated water storage needs by authorizing use of the fund "for the additional purposes of acquiring and developing storage facilities" and specifying the means by which water storage needs may be met. The 1966 amendment added the authorization to develop water filtration and treatment systems increased the bond ceiling from \$200 million to \$400 million (issuance of the additional bonds requires two-thirds approval of the legislature), and added a 50-year limit on state financing of transbasin water transportation projects.

Section 49-d-1 authorizes the issuance of an additional \$100 million in bonds for "water quality enhancement purposes." The section also raised the permissible interest rate on water development bonds from 4 percent to 6 percent, and eliminated the 1982 assistance termination date prescribed by Section 49-c.

The "state debt" provision in the proposed revision of the constitution (Article VIII, Section 8) would permit state debt to be authorized by law if approved by two-thirds of the members of both houses and by the voters. Before being submitted to the voters, a provision needs to be added which declares that, if the proposed finance article is adopted, the approval for submission and approval by the voters constitutes legislative and voter approval of the creation of state debt. The resolution as drafted would amend the present constitution if revised Article VIII fails to be approved by the voters.

What the Resolution Proposes to Do:

SJR 49, as substituted, proposes to authorize an additional \$400 million in Texas Water Development Bonds that may be issued for water resource "conservation and development" purposes.

Section-by-Section Analysis:

Section 1. Provides that if the proposed revised finance article (Article VIII) is not adopted by the voters:

(1) Article III of the present constitution is amended by adding a new Section 49-c-1 to:

(a) permit the Legislature by record two-thirds vote of the members of each house to authorize the issuance of an additional \$400 million in Texas Water Development Bonds;

(b) apply the provisions of Sections 49-c and 49-d and of Subsections (c), (d), and (e) of Section 49-d-1 to bonds issued under the proposed section;

(2) anticipatory laws may be passed;

(3) the constitutional amendment be submitted to the qualified voters on Tuesday, November 2, 1976; and

(4) the secretary of state, with the approval of the attorney general, is required to appropriately renumber and change the cross-references to conform with changes in number designations and cross-references caused by the adoption of one or more amendments proposed by SJR 11.

Section 2. Provides that if the proposed revised finance article (Article VIII) is adopted by the voters:

(1) approval of this resolution by a record affirmative vote of the members of each house constitutes legislative approval of state debt as required by Section 8 of revised Article VIII;

(2) voter approval of the proposition in an election to be held on Tuesday, November 2, 1976, constitutes voter approval of state debt as required by Section 8 of revised Article VIII;

(3) approval of state debt in the manner provided by this section permits the issuance of Texas Water Development Bonds; however,

such approval does not mandate or require that the Texas Water Development Board be continued as the bond-issuing and administrative agency;

(4) anticipatory laws may be passed and

approval of state debt becomes effective on date of that returns are canvassed.

Summary of Committee Action:

SUMMARY OF COMMITTEE ACTION

HJR 49, the House companion bill to SJR 49 was heard in a public hearing before the full committee on April 7, 1975. SJR 49 and HJR 67 were referred to a subcommittee composed of Olson, Close and Wyatt. On May 7, 1975 the subcommittee voted by a vote of 2ayes and 1 absent to report the committee substitute to SJR 49 vack to the full committee with the recommendation that i t do pass.

On May 12, 1975 the full Committee voted by 10ayes, and 4 nays to report the committee substitute to SJR 49 back to the House with the recommendation that it do pass.

The resolution amends present law.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 15, 1975

Honorable Ray Hutchison, Chairman
Committee on Constitutional Revision
House of Representatives
Austin, Texas

In Re: Senate Joint Resolution No. 49
as engrossed and amended
By: Sherman

Sir:

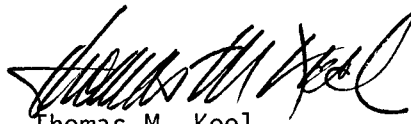
In response to your request and pursuant to House Rule VIII, Section 27, this office finds the fiscal implications of Senate Joint Resolution No. 49, as engrossed and amended (proposing a constitutional amendment to increase by \$400 million the amount of Texas Water Development Bonds that may be issued and outstanding) to be as follows:

1. The resolution would authorize an increase of \$400 million in the principal of Texas Water Development Bonds that may be issued by the Texas Water Development Board on approval of a two-thirds vote of each House of the Legislature. Under the present provisions of the Texas Constitution, the maximum amount that may be issued is \$400,000,000; debt obligations totaling \$207,754,000 have been incurred against this authorization, of which \$137,980,000 remain outstanding.
2. When Water Development Bonds are sold, debt service constitutes an obligation of the State to be paid from General Revenue. In the case of water facilities owned by the State, the requirement for General Revenue funds will continue until either the facilities or the water is sold, at which time the State will recover its investment including interest. At some future time, as water facilities are sold, the fund will become self-liquidating.
3. Loans for water development purposes are made to local political subdivisions at rates designed to repay the State for the costs of the loan. The repayment schedules from the local political subdivisions do not meet precisely, in each fiscal year, the State's debt service requirements. The General Revenue Fund makes up the difference between the debt service owed by the State and the repayments from local political subdivisions. The history of payments from the General Fund and a projection for the next five years are as follows:

DEMAND ON THE GENERAL REVENUE FUND FOR PAYMENT OF DEBT SERVICE ON TEXAS WATER DEVELOPMENT BONDS

Actual				Projected	
Fiscal Year	General Fund Cost	Fiscal Year	General Fund Cost	Fiscal Year	General Fund Cost
1967	\$ 669,501	1972	\$3,684,019	1976	\$4,900,000
1968	1,309,704	1973	5,053,909	1977	5,250,000
1969	2,242,312	1974	6,742,005	1978	6,840,000
1970	1,812,758	1975	2,885,402	1979	6,350,000
1971	2,028,753			1980	6,350,000

4. If Senate Joint Resolution No. 49, as engrossed and amended should be adopted, it is anticipated that additional debt service payments from the General Revenue Fund will not be required within the time span included in the above projection.
5. The cost of placing Senate Joint Resolution No. 49 on the ballot is estimated at \$9,000 in fiscal 1977.


Thomas M. Keel
Director

Amend S.J.R. 49 by deleting all after the words "BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:" and by substituting in lieu thereof the following:

Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Article III of the Texas Constitution is amended by adding a new Section 49-c-1 to read as follows:

"Section 49-c-1. (a) In addition to the Texas Water Development Bonds authorized by Sections 49-c, 49-d, and 49-d-1 of Article III, the legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an aggregate principal amount of Texas Water Development Bonds not to exceed \$400,000,000.

"(b) The provisions of Sections 49-c and 49-d and of Subsections (c), (d), and (e) of Section 49-d-1 of Article III are applicable to bonds authorized by this section."

(2) Laws may be passed in anticipation of the adoption of this amendment.

(3) The constitutional amendment proposed by this section is to be submitted to a vote of the qualified electors at an election to be held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "The constitutional amendment authorizing an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature."

(4) If one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session, are adopted and require a renumbering of Article III of the Texas Constitution, as amended and as it existed on November 4, 1975, (but the amendment contained in Senate Joint Resolution No. 11 revising the finance provisions of the Texas Constitution is not adopted) at least 90 days before the first Tuesday after the first Monday in November, 1976, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Subdivision (1) of this section of this resolution to conform with the changes in number designations and cross-references brought about by the adoption of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session.

Section 2. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in the 1975 regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at an election to be held on the first Tuesday after the first Monday in November, 1976, is to provide for voting for or against the proposition: "Authorizing the state legislature to provide by law for an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature in accordance with Senate Joint Resolution No. 49 as passed by the 64th Legislature the 1975 regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(3) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas Water Development Bonds in the amounts prescribed by and otherwise in accordance with Subsection (a) of Section 49-c-1 contained in Subdivision (1) of Section 1 of this resolution. However, approval of state debt in the manner provided by this section does not mandate or require the continuation of the Texas Water Development Board as the state agency empowered to issue Texas Water Development Bonds and administer proceeds from sale of the bonds.

(4) Laws may be passed in anticipation of the approval of state debt under this section. Approval of state debt under this section becomes effective on the date of the final canvass of the returns.

DATE MAY 22 1975
READ AND ADOPTED By record vote of 104-37
yes, 37 no, 5
as amended

AMENDMENT NO. _____

BY Jones of Harris

Amend Committee Amendment No. 1 to S.J.R. No. 49 by adding to the end of Subsection (b) of the quoted section 49-c-1 in section 1 the following:

"Texas Water Development Bonds are general obligation of the state to the extent that the annual call on the general revenue of the state treasury shall not exceed ~~15,000,000.~~ ~~10,000,000.~~

~~20,000,000.~~
30,000,000.

DATE _____

READ AND ADOPTED

as substituted

House of Representatives

[Signature]
AMENDMENT NO. _____

BY *[Signature]*

Amend Committee Amendment No. 1 to S.J.R. No. 49 by adding to the end of Subsection (b) of the quoted section 49-c-1 in section 1 the following:

"Texas Water Development Bonds are general obligation of the state to the extent that the annual call on the general revenue of the state treasury shall not exceed ~~15,000,000.~~
~~20,000,000.~~
~~24,000,000.~~
~~25,000,000.~~
~~\$15,000,000~~

16 M

DATE MAY 22 1975

READ AND ADOPTED

[Signature] as a substitute to Jones amendment
Chief Clerk
House of Representatives

AMENDMENT NO. _____

BY Matthew

Amend Committee Amendment No. 1 to S.J.R. No. 49 as follows:

(1) In Section 1 of the resolution, add a Subsection (c) to quoted section 49-c-1 to read as follows:

"(c) Texas Water Development Fund is non-revolving."

(2) In Section 2 of the resolution, add a Subdivision (5) to read as follows:

"(5) Texas Water Development Fund is non-revolving."

DATE - MAY 22 1975

READ AND ADOPTED

Dorothy L. Hallman
Chief Clerk
House of Representatives

①

Floor Substitute

Hutchison - Matley
By: Hutchison

Amend S.J.R. 49 by deleting all after the resolving clause and by substituting in lieu thereof the following:

Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Section 49-c of Article III of the Texas Constitution is amended to read as follows:

"Sec. 49-c. Texas Water Development Bonds and Contracts. (a) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$400,000,000. The legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an additional aggregate principal amount of Texas Water Development Bonds not to exceed \$400,000,000. Bonds authorized under this subsection may be issued only for such water development purposes as prescribed by law.

"(b) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$100,000,000, which bonds may be issued only for such water quality enhancement purposes as prescribed by law.

"(c) Texas Water Development Bonds are issued in such manner and installments and upon such terms and conditions, bear such rates of interest, and mature as prescribed by law. The legislature shall provide by law for such other implementation of this section as the legislature determines appropriate.

"(d) Texas Water Development Bonds are secured by the full faith and credit of the state, and there is hereby appropriated out of the first money coming into the Treasury in each fiscal year, not otherwise appropriated by this Constitution, an amount which is sufficient to pay the principal and interest on such bonds that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year. No bonds authorized under this section may be issued without prior approval of the attorney general and registration by the comptroller of public accounts; after approval, registration, and delivery to the purchaser the bonds are incontestable.

"(e) The legislature by law may provide for the execution of contracts in excess of two years duration between the state or a state agency and the United States or any of its agencies to acquire or develop storage facilities in reservoirs constructed or to be constructed by the federal government. Contracts executed under this subsection are general obligations of the state and are part of the state debt authorized under Subsection (a) of this Section.

"(f) No state fund established for purposes of water development, whether funded by the sale of Texas Water Development Bonds or from other sources, may be used to finance a project that contemplates or results in removing surface water from the river basin of origin if the surface water is necessary to supply the reasonably foreseeable water requirements of the basin for the ensuing 50 years. This subsection does not apply to a removal of water on a temporary, interim basis. However, no such state fund may be used for the development of water resources from the Mississippi River.

"(g) The aggregate amount of bonds and contracts authorized by this section includes Texas Water Development Bonds and contracts issued before the effective date of this amendment. Texas Water Development Bonds or other evidences of indebtedness issued before the effective date of this amendment remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions. The state or a state agency shall continue to provide for a source or sources of payment in accordance with the terms of these bonds or other evidences of indebtedness until the obligations are paid in full."

"(h) No single water development project requiring an expenditure of proceeds of Texas Water Development Bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

"(A) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the Legislature; or

"(B) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the Legislature."

(2) Subdivisions (1) and (3) of the constitutional amendment proposed by this section do not become effective until implemented by law.

(3) Sections 49-d and 49-d-1 of Article III of the Texas Constitution are repealed.

(4) The constitutional amendment proposed by this section is to be submitted to a vote of the qualified electors at an election to be held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "The constitutional amendment authorizing an increase of \$400 million in the amount of Texas ~~Water Development Bonds~~ that may be issued on approval^{4/5} of two-thirds of the legislature; amending and consolidating provisions of Sections 49-c, 49-d, and 49-d-1 of Article III of the Texas Constitution; and repealing Sections 49-d and 49-d-1 of Article III of the Texas Constitution."

Section 2. If Sections 49-c, 49-d, or 49-d-1 of Article III of the Texas

Constitution are renumbered because of the adoption on November 4, 1975, of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Section 1 of this resolution to conform to the renumbered sections in Article III. The changes are to be made at least 90 days before the first Tuesday after the first Monday in November, 1976.

Section 3. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at an election to be held on the first Tuesday after the first Monday in November, 1976, is to provide^{5/6} for voting for or against the proposition: "Authorizing an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature and in accordance with Senate Joint Resolution No. 49 as passed by the 64th Legislature in regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(3) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas Water Development Bonds in the amounts prescribed by and otherwise in accordance with Section 49-c contained in Subdivision (1) of Section 1 of this resolution. However, an implementing law under this section must provide that no single water development project requiring an expenditure of proceeds of Texas Water Development Bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

(A) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the Legislature; or

(B) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the Legislature.

An implementing law under this section must further provide that no state fund

established for purposes of water development may be used for the development of water resources from the Mississippi River.

(4) Approval of state debt under this section becomes effective on the date of the final canvass of the returns.

4

MAY 27 1975

DATE

READ AND ADOPTED

on 3rd reading

Deputy Hallman

Chief Clerk
House of Representatives

②

Amendment No. _____

By: Antelmin

Amend ~~Committee~~ Amendment No. 2 to S.J.R. 49 by deleting all ~~above~~ the ~~amending~~ ^{Resolving} clause and by substituting in lieu thereof the following:

SENATE JOINT RESOLUTION

proposing a constitutional amendment authorizing an additional \$400 million in Texas Water Development Bonds that may be issued on approval of two-thirds of the members of each house of the legislature; amending and consolidating the provisions of Sections 49-c, 49-d, and 49-d-1, and repealing Sections 49-d and 49-d-1; or, in the alternative, providing that approval of this resolution constitutes legislative approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976, providing for submission to the qualified voters the question of whether to authorize the legislature to provide by law for an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the members of each house of the legislature, and providing that approval of the question submitted by a majority of the qualified voters constitutes voter approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976.

MAY 27 1975

DATE

READ AND ADOPTED

[Signature]
Clerk
House of Representatives

3
Amend Committee Amendment No. 1 to S.J.R. No. 49 as follows:

(1) In Section 1 of the resolution, add a Subsection (c) to quoted Section 49-c-1 to read as follows:

"(C) Provided further that the board may not use proceeds from these bonds for the conservation and development of water resources ^{from the} ~~the state except its boundary streams.~~ ^{outside} Mississippi River."

River water " ^{river}

(2) In Section 2 of the resolution, add a subdivision (5) to read as follows:

"(5) Provided further that the board may not use proceeds from these bonds for the conservation and development of water resources ^{resources from} ~~the state except its boundary streams.~~ ^{the Mississippi River,}

^{river} ~~results in the transfer or storage of Mississippi River water.~~ "

DATE 4/23/1975

READ AND ADOPTED

W. J. Harrison
Clerk
House of Representatives

bmc

Enrolled	<i>May 31 1975</i>
	<i>M. J. R.</i>
	Enrolling Clerk

S.J.R. No. 49

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing an additional
2 \$400 million in Texas water development bonds that may be issued
3 on approval of two-thirds of the members of each house of the
4 legislature; amending and consolidating the provisions of Sections
5 49-c, 49-d, and 49-d-1, and repealing Sections 49-d and 49-d-1;
6 or, in the alternative, providing that approval of this resolution
7 constitutes legislative approval of state debt as required by
8 Article VIII of the Texas Constitution, as revised in 1976,
9 providing for submission to the qualified voters of the question
10 of whether to authorize the legislature to provide by law for an
11 increase of \$400 million in the amount of Texas water development
12 bonds that may be issued on approval of two-thirds of the members
13 of each house of the legislature, and providing that approval of
14 the question submitted by a majority of the qualified voters
15 constitutes voter approval of state debt as required by Article
16 VIII of the Texas Constitution, as revised in 1976.

17 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

18 Section 1. That if the constitutional amendment proposed
19 in Section 5 of Senate Joint Resolution No. 11, as passed in the
20 regular session of the 64th Legislature, is not adopted by a
21 majority of the qualified electors voting on the question on
22 November 4, 1975:

23 (a) Section 49-c of Article III of the Texas Constitution
24 is revised to read as follows:

"Section 49-c. Texas Water Development Bonds and Contracts.

(a) The issuance of Texas water development bonds is hereby authorized in an aggregate principal amount not to exceed \$400 million. The legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an additional aggregate principal amount of Texas water development bonds not to exceed \$400 million. Bonds authorized under this subsection may be issued only for such water development purposes as prescribed by law.

"(b) The issuance of Texas water development bonds is hereby authorized in an aggregate principal amount not to exceed \$100 million, which bonds may be issued only for such water quality enhancement purposes as prescribed by law.

"(c) Texas water development bonds are issued in such manner and installments and upon such terms and conditions, bear such rates of interest, and mature as prescribed by law. The legislature shall provide by law for such other implementation of this section as the legislature determines appropriate.

"(d) Texas water development bonds are secured by the full faith and credit of the state, and there is hereby appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount which is sufficient to pay the principal and interest on such bonds that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year. No bonds authorized under this section may be issued without prior

1 approval of the attorney general and registration by the
2 comptroller of public accounts; after approval, registration, and
3 delivery to the purchaser the bonds are incontestable.

4 "(e) The legislature by law may provide for the execution
5 of contracts in excess of two years duration between the state
6 or a state agency and the United States or any of its agencies
7 to acquire or develop storage facilities in reservoirs constructed
8 or to be constructed by the federal government. Contracts executed
9 under this subsection are general obligations of the state and
10 are part of the state debt authorized under Subsection (a) of
11 this section.

12 "(f) No state fund established for purposes of water
13 development, whether funded by the sale of Texas water development
14 bonds or from other sources, may be used to finance a project
15 that contemplates or results in removing surface water from the
16 river basin of origin if the surface water is necessary to supply
17 the reasonably foreseeable water requirements of the basin for
18 the ensuing 50 years. This subsection does not apply to a removal
19 of water on a temporary, interim basis. However, no such state
20 fund may be used for the development of water resources from the
21 Mississippi River.

22 "(g) The aggregate amount of bonds and contracts authorized
23 by this section includes Texas water development bonds and
24 contracts issued before the effective date of this amendment.
25 Texas water development bonds or other evidences of indebtedness
26 issued before the effective date of this amendment remain valid

1 and enforceable in accordance with their terms and subject to all
2 applicable terms and conditions. The state or a state agency
3 shall continue to provide for a source or sources of payment in
4 accordance with the terms of these bonds or other evidences of
5 indebtedness until the obligations are paid in full.

6 "(h) No single water development project requiring an
7 expenditure of proceeds of Texas water development bonds in an
8 aggregate amount in excess of \$35 million may be undertaken unless:

9 "(1) the expenditure is approved by concurrent
10 resolution adopted by a majority of the members of each house of
11 the legislature; or

12 "(2) the project is a part of a statewide water
13 development plan approved by concurrent resolution adopted by a
14 majority of the members of each house of the legislature."

15 (b) Subdivisions (1) and (3) of the constitutional amendment
16 proposed by this section do not become effective until implemented
17 by law.

18 (c) Sections 49-d and 49-d-1 of Article III of the Texas
19 Constitution are repealed.

20 (d) The constitutional amendment proposed by this section
21 is to be submitted to a vote of the qualified electors at an
22 election to be held on the first Tuesday after the first Monday
23 in November, 1976, at which election the ballots are to provide
24 for voting for or against the proposition: "The constitutional
25 amendment authorizing an increase of \$400 million in the amount
26 of Texas Water Development Bonds that may be issued on approval

1 of two-thirds of the legislature; amending and consolidating
2 provisions of Sections 49-c, 49-d, and 49-d-1 of Article III of
3 the Texas Constitution; and repealing Sections 49-d and 49-d-1
4 of Article III of the Texas Constitution."

5 Sec. 2. That if Section 49-c, 49-d, or 49-d-1 of Article
6 III of the Texas Constitution is renumbered because of the adoption
7 on November 4, 1975, of one or more amendments proposed by Senate
8 Joint Resolution No. 11, as passed by the 64th Legislature in the
9 1975 regular session, the secretary of state with the approval
10 of the attorney general shall appropriately renumber and change
11 the cross-references of the amendment contained in Section 1 of
12 this resolution to conform to the renumbered sections in Article
13 III. The changes are to be made at least 90 days before the first
14 Tuesday after the first Monday in November, 1976.

15 Sec. 3. That if the constitutional amendment proposed in
16 Section 5 of Senate Joint Resolution No. 11, as passed in the
17 regular session of the 64th Legislature, is adopted by a majority
18 of the qualified electors voting on the question on November 4,
19 1975:

20 (a) Approval of this resolution by a record affirmative
21 two-thirds vote of the membership of each house of the 64th
22 Legislature in regular session is hereby declared to constitute
23 legislative approval of state debt in conformity with Section 8
24 of Article VIII of the constitution.

25 (b) The ballot at an election to be held on the first
26 Tuesday after the first Monday in November, 1976, is to provide

for voting for or against the proposition: "Authorizing an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature and in accordance with Senate Joint Resolution No. 49 as passed by the 64th Legislature in regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(c) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas water development bonds in the amounts prescribed by and otherwise in accordance with Section 49-c contained in Subdivision (a) of Section 1 of this resolution. However, an implementing law under this section must provide that no single water development project requiring an expenditure of proceeds of Texas water development bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

(1) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the legislature; or

(2) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the legislature.

An implementing law under this section must further provide that no state fund established for purposes of water development may

S.J.R. No. 49

1 be used for the development of water resources from the Mississippi
2 River.

3 (a) Approval of state debt under this section becomes
4 effective on the date of the final canvass of the returns.

cc
Dms

S.J.R. No. 49

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 49 was adopted by the senate on April 17, 1975, by the following vote: Yeas 23, Nays 7; May 30, 1975, senate concurred in house amendments by the following vote: Yeas 26, Nays 5.

Secretary of the Senate

I hereby certify that S.J.R. No. 49 was adopted by the house, with amendments, on May 27, 1975, by the following vote: Yeas 119, Nays 19.

Chief Clerk of the House

Approved:

Date

Governor

col. 2ms

S.J.R. No. 49

President of the Senate Speaker of the House

I hereby certify that S.J.R. No. 49 was adopted by the senate on April 17, 1975, by the following vote: Yeas 23, Nays 7; May 30, 1975, senate concurred in house amendments by the following vote: Yeas 26, Nays 5.

Secretary of the Senate

I hereby certify that S.J.R. No. 49 was adopted by the house, with amendments, on May 27, 1975, by the following vote: Yeas 119, Nays 19.

Chief Clerk of the House

Approved:

6-20-75
Date

Seeger
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
1:45 PM O'CLOCK

JUN 20 1975

.....
Secretary of State

*To be voted on Nov. 1976
See Section 3 (page 5)*

Proposing a constitutional amendment to increase to \$800 million the amount of Texas Water Development Bonds that may be issued and outstanding by the Texas Water Development Board on approval of a two-thirds vote of each House of the Legislature, consolidating the provisions of Article III, Sections 49-c and 49-d, of the Texas Constitution, and repealing Article III, Section 49-d, of the Texas Constitution.

3/11/75 Filed with the Secretary of the Senate

3/11/75 Read, referred to Committee on Texas Constitution

APR 7 1975

Reported favorably.

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed.

APR 17 1975

Senate and Constitutional Rules to permit consideration suspended by

~~unanimous consent.~~

23 yeas, 7 nays.

To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

APR 17 1975

Read second time ^{amended} and ordered engrossed ^{by a vote of 23 yeas, 7 nays} passed to third reading.

Caption ordered amended to conform to body of bill.

APR 17 1975

Senate and Constitutional 3-Day Rules suspended by vote of 24 yeas, 6 nays to place bill on third reading and final passage.

APR 17 1975

Read third time and passed by ~~a viva-voce vote.~~ 23 yeas, 7 nays.

OTHER ACTION:

Charles Schnabel
Secretary of the Senate

April 15, 1975 Engrossed

APR 18 1975

Sent to HOUSE

ENGROSSING CLERK

APR 18 1975

Received from
the Senate

Dorothy Hallman
Chief Clerk, House of Representatives

APR 18 1975

READ FIRST TIME
AND REFERRED TO COMMITTEE ON

Constitutional Revision

MAY 13 1975 REPORTED FAVORABLY AS AMENDED SENT TO PRINTER

PRINTED, DISTRIBUTED AND

REFERRED TO COMMITTEE ON

CALENDARS

1:45 P.M.

MAY 15 1975

(Time)

(Date)

MAY 22 1975

Read Second Time, *amended*

and passed to third reading by record vote

of 93 yeas, 42 noes.

MAY 27 1975

Read third time

Dorothy Hallman
Chief Clerk, House of Representatives

by following vote yeas

119

Nays

19

Dorothy Hallman
Chief Clerk
HOUSE OF REPRESENTATIVES

MAY 27 1975
MAY 9 1975

RETURNED TO SENATE

MAY 28 1975 RETURNED *with amendments*
FROM HOUSE

MAY 30 1975

Senate concurred in House amend-
ments by the following vote: ~~22~~ 26
yeas, ~~5~~ 5 nays.

